



Reprinted
February 1, 2006

HOUSE BILL No. 1396

DIGEST OF HB 1396 (Updated January 31, 2006 9:55 pm - DI 106)

Citations Affected: IC 4-21.5; IC 4-22; IC 4-32.2; IC 4-33; IC 5-2; IC 6-3; IC 6-8.1; IC 12-13; IC 33-26; IC 35-45; noncode.

Synopsis: Administration of charity gaming. Transfers the powers and duties of administering charity gaming from the department of state revenue to the gaming commission. Allows a candidate's committee to conduct a raffle event. Removes a provision restricting a qualified organization's charity gaming events to the county of its home office. Increases the maximum initial license fee from \$25 to \$50. Increases license renewal fees. Grants the gaming commission the authority to approve gambling events other than the types of events listed in current law. Defines the term "member" for purposes of the charity gaming laws. Establishes a procedure under which a qualified organization that conducts only one charity gaming event in a calendar year may submit an application for a license for the event without including the Social Security numbers of the workers for the proposed event. Provides that a qualified organization using the procedure may not require an individual who wishes to participate in the allowable event as a worker to submit the individual's Social Security number to the qualified organization. Allows the gaming commission to approve: (1) a qualified organization's utilization of a nonmember as a worker if the nonmember is a member of another qualified organization; and (2) the sharing of receipts with the qualified organization of which the worker is a member. Prohibits the gaming commission from adopting a rule concerning a minimum percentage of a qualified organization's gross receipts that must be used for charitable purposes. Makes an appropriation.

Effective: July 1, 2006.

Whetstone, Pelath, Kuzman

January 12, 2006, read first time and referred to Committee on Public Policy and Veterans Affairs.
January 23, 2006, amended, reported — Do Pass.
January 31, 2006, read second time, amended, ordered engrossed.

HB 1396—LS 7001/DI 92+



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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1396

A BILL FOR AN ACT to amend the Indiana Code concerning gaming and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-21.5-2-4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) ~~Except as~~
3 ~~provided in subsection (c)~~; This article does not apply to any of the
4 following agencies:
5 (1) The governor.
6 (2) The state board of accounts.
7 (3) The state educational institutions (as defined by
8 IC 20-12-0.5-1).
9 (4) The department of workforce development.
10 (5) The unemployment insurance review board of the department
11 of workforce development.
12 (6) The worker's compensation board of Indiana.
13 (7) The military officers or boards.
14 (8) The Indiana utility regulatory commission.
15 (9) The department of state revenue (excluding an agency action
16 related to the licensure of private employment agencies).
17 (10) The department of local government finance.

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(b) This article does not apply to action related to railroad rate and tariff regulation by the Indiana department of transportation.

~~(c) This article applies to a protest or hearing related to the regulation of charity gaming under IC 4-32 by the department of state revenue.~~

SECTION 2. IC 4-22-2-37.1, AS AMENDED BY P.L.235-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.

(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.

(3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.

(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.

(5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(9) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.

(10) An emergency rule adopted by the Indiana ~~transportation~~ finance authority under IC 8-21-12.

(11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.

(12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a

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deadline required by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(16) An emergency rule adopted by the Indiana gaming commission under **IC 4-32.2-3-3(b)**, IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.

(17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34.

(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33.

(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.

(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.

(b) The following do not apply to rules described in subsection (a):

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(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j) and (k), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective

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after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

SECTION 3. IC 4-32.2 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

ARTICLE 32.2. CHARITY GAMING

Chapter 1. General Provisions

Sec. 1. (a) This article applies only to a qualified organization.

(b) This article applies only to:

(1) bingo events, charity game nights, door prize events, raffle events, festivals, and other gaming events approved by the commission; and

(2) the sale of pull tabs, punchboards, and tip boards:

(A) at bingo events, charity game nights, door prize events, raffle events, and festivals conducted by qualified organizations; or

(B) at any time on the premises owned or leased by a qualified organization and regularly used for the activities of the qualified organization.

This article does not apply to any other sale of pull tabs, punchboards, and tip boards.

Sec. 2. The purpose of this article is to permit a licensed qualified organization:

(1) to conduct allowable events; and

(2) to sell pull tabs, punchboards, and tip boards;

as a fundraising activity for lawful purposes of the organization.

Sec. 3. A bingo event, charity game night, door prize drawing, or raffle is not allowed in Indiana unless it is conducted by a

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qualified organization in accordance with this article.

Sec. 4. Local taxes, regardless of type, may not be imposed upon the operations of the commission under this article or upon the sale of bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs, punchboards, or tip boards under this article.

Sec. 5. (a) Local governmental authority concerning the following is preempted by the state under this article and IC 4-30:

(1) All matters relating to the operation of bingo events, charity game nights, raffles, and door prize drawings.

(2) All matters relating to the possession, transportation, advertising, sale, manufacture, printing, storing, or distribution of pull tabs, punchboards, or tip boards.

(b) A county, municipality, or other political subdivision of the state may not enact an ordinance relating to the commission's operations authorized by this article.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Allowable event" means:

(1) a bingo event;

(2) a charity game night;

(3) a raffle;

(4) a door prize drawing;

(5) a festival;

(6) a sale of pull tabs, punchboards, or tip boards; or

(7) any other gambling event approved by the commission under this article;

conducted by a qualified organization in accordance with this article and rules adopted by the commission under this article.

Sec. 3. "Bingo" means a game conducted in the following manner:

(1) Each participant receives at least one (1) card, board, pad, or piece of paper marked off into twenty-five (25) squares that are arranged in five (5) vertical rows of five (5) squares each, with each row designated by a single letter, and each box containing a number, from one (1) to seventy-five (75), except the center box, which is always marked with the word "free".

(2) As the caller of the game announces a letter and number combination, each player covers the square corresponding to the announced number, letter, or combination of numbers and letters.

(3) The winner of each game is the player who is the first to

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properly cover a predetermined and announced pattern of squares upon the card used by the player.

Sec. 4. "Bingo event" means an event at which bingo is conducted by an organization that holds a bingo license or a special bingo license issued under this article.

Sec. 5. "Bona fide business organization" means a local organization that is not for pecuniary profit and is exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code.

Sec. 6. "Bona fide civic organization" means a branch, lodge, or chapter of a national or state organization that is not for pecuniary profit or a local organization that is not for pecuniary profit and not affiliated with a state or national organization whose written constitution, charter, articles of incorporation, or bylaws provide the following:

(1) That the organization is organized primarily for civic, fraternal, or charitable purposes.

(2) That upon dissolution of the organization all remaining assets of the organization revert to nonprofit civic or charitable purposes.

Sec. 7. "Bona fide educational organization" means an organization that is not for pecuniary profit and that meets the following criteria:

(1) The organization's primary purpose is educational in nature.

(2) The organization's constitution, articles, charter, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit educational purposes.

(3) The organization is designed to develop the capabilities of individuals by instruction in a public or private:

(A) elementary or secondary school; or

(B) college or university.

Sec. 8. (a) "Bona fide political organization" means a party committee, association, fund, or other organization, whether incorporated or not, organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code).

(b) Except as provided in subsection (c), the term does not include a candidate's committee (as defined in IC 3-5-2-7).

(c) For purposes of IC 4-32.2-4-8 and IC 4-32.2-4-17, the term

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includes a candidate's committee (as defined in IC 3-5-2-7).

Sec. 9. "Bona fide religious organization" means an organization, a church, a body of communicants, or a group:

(1) organized primarily for religious purposes and not for pecuniary profit that provides to the commission written confirmation that the entity is operating under Section 501 of the Internal Revenue Code or under the Section 501 nonprofit status of the entity's parent organization; and

(2) whose constitution, charter, articles, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit religious purposes or shall revert to the parent organization for nonprofit religious purposes.

Sec. 10. "Bona fide senior citizens organization" means an organization that is not for pecuniary profit and that:

(1) consists of at least fifteen (15) members who are at least sixty (60) years of age;

(2) is organized by the organization's constitution, charter, articles, or bylaws for the mutual support and advancement of the causes of elderly or retired persons; and

(3) provides in the organization's constitution, charter, articles, or bylaws that upon dissolution all remaining assets of the organization shall be used for nonprofit purposes that will support or advance the causes of elderly or retired persons.

Sec. 11. "Bona fide veterans organization" means a local organization or a branch, lodge, or chapter of a state or national organization chartered by the Congress of the United States that is not for pecuniary profit and that:

(1) consists of individuals who are or were members of the armed forces of the United States;

(2) is organized for the mutual support and advancement of the organization's membership and patriotic causes; and

(3) provides in the organization's constitution, charter, articles, or bylaws that upon dissolution all remaining assets of the organization shall be used for nonprofit purposes that will support or advance patriotic causes.

Sec. 12. (a) "Charity game night" means an event at which wagers are placed upon the following permitted games of chance through the use of imitation money:

(1) A card game approved by the commission.

(2) A dice game approved by the commission.

(3) A roulette wheel approved by the commission.

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(4) A spindle approved by the commission.

(b) The term does not include an event at which wagers are placed upon any of the following:

(1) Bookmaking.

(2) A slot machine.

(3) A one-ball machine or a variant of a one-ball machine.

(4) A pinball machine that awards anything other than an immediate and unrecorded right of replay.

(5) A policy or numbers game.

(6) A banking or percentage game played with cards or counters, including the acceptance of a fixed share of the stakes in a game.

Sec. 13. "Commission" means the Indiana gaming commission established by IC 4-33-3-1.

Sec. 14. "Department" means the department of state revenue.

Sec. 15. "Door prize" means a prize awarded to a person based solely upon the person's attendance at an event or the purchase of a ticket to attend an event.

Sec. 16. "Door prize drawing" means a drawing to award a door prize.

Sec. 17. "Door prize event" means an event at which at least one (1) door prize drawing is conducted by an organization that holds a door prize drawing license issued under this article.

Sec. 18. "Executive director" means the executive director of the Indiana gaming commission appointed under IC 4-33-3-18.

Sec. 19. "Licensed supply" refers to any of the following:

(1) Bingo cards.

(2) Bingo boards.

(3) Bingo sheets.

(4) Bingo pads.

(5) Pull tabs.

(6) Punchboards.

(7) Tip boards.

(8) Any other supplies, devices, or equipment designed to be used in allowable events designated by rule of the commission.

Sec. 20. "Marketing sheet" means additional information published about a wagering game that describes winnings.

Sec. 20.5. "Member" means any of the following:

(1) An individual entitled to membership in a qualified organization under the bylaws, articles of incorporation, charter, or rules of the qualified organization.

(2) A member of the qualified organization's auxiliary.

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(3) In the case of a qualified organization that is a nonpublic school (as defined in IC 20-18-2-12), either of the following:

(A) A parent of a child enrolled in the school.

(B) A member of the school's parent organization.

(C) A member of the school's alumni association.

Sec. 21. "Operator" means an individual who is responsible for conducting an allowable event for a qualified organization under this article in accordance with Indiana law.

Sec. 22. "Pull tab" means either of the following:

(1) A game conducted in the following manner:

(A) A single folded or banded ticket or a two-ply card with perforated break-open tabs is bought by a player from a qualified organization.

(B) The face of each card is initially covered or otherwise hidden from view, concealing a number, letter, symbol, or set of letters or symbols.

(C) In each set of tickets or cards, a designated number of tickets or cards have been randomly designated in advance as winners.

(D) Winners, or potential winners if the game includes the use of a seal, are determined by revealing the faces of the tickets or cards. The player may be required to sign the player's name on numbered lines provided if a seal is used.

(E) The player with a winning pull tab ticket or numbered line receives the prize stated on the flare from the qualified organization. The prize must be fully and clearly described on the flare.

(2) Any game played in a similar fashion as a game described in subdivision (1) that is approved by the commission.

Sec. 23. "Punchboard" means a card or board that contains a grid or section that hides the random opportunity to win a prize based on the results of punching a single section to reveal a symbol or prize amount.

Sec. 24. (a) "Qualified organization" means:

(1) a bona fide religious, educational, senior citizens, veterans, or civic organization operating in Indiana that:

(A) operates without profit to the organization's members;

(B) is exempt from taxation under Section 501 of the Internal Revenue Code; and

(C) has been continuously in existence in Indiana for at least five (5) years or is affiliated with a parent organization that has been in existence in Indiana for at

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1 least five (5) years; or

2 (2) a bona fide political organization operating in Indiana that
3 produces exempt function income (as defined in Section 527
4 of the Internal Revenue Code).

5 (b) For purposes of IC 4-32.2-4-3, a "qualified organization"
6 includes the following:

7 (1) A hospital licensed under IC 16-21.

8 (2) A health facility licensed under IC 16-28.

9 (3) A psychiatric facility licensed under IC 12-25.

10 (4) An organization defined in subsection (a).

11 (c) For purposes of IC 4-32.2-4-9, a "qualified organization"
12 includes a bona fide business organization.

13 Sec. 25. "Qualified recipient" means:

14 (1) a hospital or medical center operated by the federal
15 government;

16 (2) a hospital licensed under IC 16-21;

17 (3) a hospital subject to IC 16-22;

18 (4) a hospital subject to IC 16-23;

19 (5) a health facility licensed under IC 16-28;

20 (6) a psychiatric facility licensed under IC 12-25;

21 (7) an organization described in section 24(a) of this chapter;

22 (8) an activity or a program of a local law enforcement agency
23 intended to reduce substance abuse;

24 (9) a charitable activity of a local law enforcement agency; or

25 (10) a veterans' home.

26 Sec. 26. "Raffle" means the selling of tickets or chances to win
27 a prize awarded through a random drawing.

28 Sec. 27. "Raffle event" means an event at which at least one (1)
29 raffle is conducted by an organization that holds a raffle license
30 issued under this article.

31 Sec. 28. "Tip board" means a board, a placard, or other device
32 that is marked off in a grid or columns, with each section
33 containing a hidden number or numbers or other symbols that
34 determine a winner.

35 Sec. 29. "Veterans' home" means any of the following:

36 (1) The Indiana Veterans' Home.

37 (2) The VFW National Home for Children.

38 (3) The Indiana Soldiers' and Sailors' Children's Home.

39 Sec. 30. "Worker" means an individual who helps or
40 participates in any manner in preparing for, conducting, assisting
41 in conducting, cleaning up after, or taking any other action in
42 connection with an allowable event under this article.

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Chapter 3. Powers and Duties of the Commission

Sec. 1. (a) The commission shall supervise and administer allowable events conducted under this article.

(b) The commission may by resolution assign to the executive director any duty imposed upon the commission by this article.

(c) The executive director shall perform the duties assigned to the executive director by the commission. The executive director may exercise any power conferred upon the commission by this article that is consistent with the duties assigned to the executive director under subsection (b).

Sec. 2. For purposes of conducting an investigation or a proceeding under this article, the commission may do the following:

(1) Administer oaths.

(2) Take depositions.

(3) Issue subpoenas.

(4) Compel the attendance of witnesses and the production of books, papers, documents, and other evidence.

Sec. 3. (a) The commission may adopt rules under IC 4-22-2 for the establishment, implementation, and operation of allowable events or to ensure that the allowable events are consistently operated in a fair and honest manner.

(b) The commission may adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(1) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(2) an emergency rule is likely to address the need.

(c) The commission may not adopt a rule under IC 4-22-2 requiring a qualified organization to use a minimum percentage of the qualified organization's gross receipts from allowable events and related activities for the lawful purposes of the qualified organization.

Sec. 4. (a) The commission has the sole authority to license entities under this article to sell, distribute, or manufacture the following:

(1) Bingo cards.

(2) Bingo boards.

(3) Bingo sheets.

(4) Bingo pads.

(5) Pull tabs.

(6) Punchboards.

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1 (7) Tip boards.

2 (8) Any other supplies, devices, or equipment designed to be
3 used in allowable events designated by rule of the commission.

4 (b) Qualified organizations must obtain the materials described
5 in subsection (a) only from an entity licensed by the commission.

6 (c) The commission may not limit the number of qualified
7 entities licensed under subsection (a).

8 Sec. 5. The commission shall charge appropriate fees to the
9 following:

10 (1) An applicant for a license to conduct an allowable event.

11 (2) An applicant seeking a license to distribute bingo supplies,
12 pull tabs, punchboards, or tip boards.

13 (3) An applicant seeking a license to manufacture bingo
14 supplies, pull tabs, punchboards, or tip boards.

15 Sec. 6. The commission may own, sell, and lease real and
16 personal property necessary to carry out the commission's
17 responsibilities under this article.

18 Sec. 7. The commission may employ investigators and other
19 staff necessary to carry out this article. However, the restrictions
20 and limitations on the operators and workers set forth in
21 IC 4-32.2-5-10 apply to staff employed under this article. The
22 employees hired by the commission under this article may be the
23 same as the commission's employees hired under IC 4-33.

24 Chapter 4. Charity Gaming Licenses

25 Sec. 1. A qualified organization may conduct the following
26 activities in accordance with this article:

27 (1) A bingo event.

28 (2) A charity game night.

29 (3) A raffle event.

30 (4) A door prize event.

31 (5) A festival.

32 (6) The sale of pull tabs, punchboards, and tip boards.

33 (7) Any other gambling event approved by the commission.

34 Sec. 2. Except as provided in section 3 of this chapter, a
35 qualified organization must obtain a license under this chapter to
36 conduct an allowable event.

37 Sec. 3. (a) A qualified organization is not required to obtain a
38 license from the commission if the value of all prizes awarded at
39 the bingo event, charity game night, raffle event, or door prize
40 event, including prizes from pull tabs, punchboards, and tip
41 boards, does not exceed one thousand dollars (\$1,000) for a single
42 event and not more than three thousand dollars (\$3,000) during a

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1 calendar year.

2 (b) A qualified organization described in subsection (a) that
3 plans to hold a bingo event more than one (1) time a year shall send
4 an annual written notice to the commission informing the
5 commission of the following:

6 (1) The estimated frequency of the planned bingo events.

7 (2) The location or locations where the qualified organization
8 plans to hold the bingo events.

9 (3) The estimated amount of revenue expected to be generated
10 by each bingo event.

11 (c) The notice required under subsection (b) must be filed before
12 the earlier of the following:

13 (1) March 1 of each year.

14 (2) One (1) week before the qualified organization holds the
15 first bingo event of the year.

16 (d) A qualified organization described in subsection (a) shall
17 maintain accurate records of all financial transactions of an event
18 conducted under this section. The commission may inspect records
19 kept in compliance with this section.

20 Sec. 4. (a) Each organization applying for a bingo license, a
21 special bingo license, a charity game night license, a raffle license,
22 a door prize drawing license, a festival license, or a license to
23 conduct any other gambling event approved by the commission
24 must submit to the commission a written application on a form
25 prescribed by the commission.

26 (b) Except as provided in subsection (c), the application must
27 include the information that the commission requires, including the
28 following:

29 (1) The name and address of the organization.

30 (2) The names and addresses of the officers of the
31 organization.

32 (3) The type of event the organization proposes to conduct.

33 (4) The location where the organization will conduct the
34 allowable event.

35 (5) The dates and times for the proposed allowable event.

36 (6) Sufficient facts relating to the organization or the
37 organization's incorporation or founding to enable the
38 commission to determine whether the organization is a
39 qualified organization.

40 (7) The name of each proposed operator and sufficient facts
41 relating to the proposed operator to enable the commission to
42 determine whether the proposed operator is qualified to serve

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as an operator.

(8) A sworn statement signed by the presiding officer and secretary of the organization attesting to the eligibility of the organization for a license, including the nonprofit character of the organization.

(9) Any other information considered necessary by the commission.

(c) This subsection applies only to a qualified organization that conducts only one (1) allowable event in a calendar year. The commission may not require the inclusion in the qualified organization's application of the Social Security numbers of the workers who will participate in the qualified organization's proposed allowable event. A qualified organization that files an application described in this subsection must attach to the application a sworn statement signed by the presiding officer and secretary of the organization attesting that the organization has not conducted any other allowable events in the calendar year.

Sec. 5. (a) The commission may issue a bingo license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The commission may hold a public hearing to obtain input on the proposed issuance of an annual bingo license to an applicant that has never held an annual bingo license under this article.

(c) The first time that a qualified organization applies for an annual bingo license, the commission shall publish notice that the application has been filed. The notification must be in accordance with IC 5-14-1.5-5 and must contain the following:

(1) The name of the qualified organization and the fact that it has applied for an annual bingo license.

(2) The location where the bingo events will be held.

(3) The names of the operator and officers of the qualified organization.

(4) A statement that any person can protest the proposed issuance of the annual bingo license.

(5) A statement that the commission shall hold a public hearing if ten (10) written and signed protest letters are received by the commission.

(6) The address of the commission where correspondence concerning the application may be sent.

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(d) If the commission receives at least ten (10) protest letters, the commission shall hold a public hearing in accordance with IC 5-14-1.5. The commission shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.

(e) A license issued under this section:

- (1) may authorize the qualified organization to conduct bingo events on more than one (1) occasion during a period of one (1) year;
- (2) must state the locations of the permitted bingo events;
- (3) must state the expiration date of the license; and
- (4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

(f) Notwithstanding subsection (e)(4), the commission shall hold a public hearing for the reissuance of an annual bingo license if:

- (1) an applicant has been cited for a violation of law or a rule of the commission; or
- (2) the commission finds, based upon investigation of at least three (3) written and signed complaints alleging a violation of law or a rule of the commission in connection with the bingo license, that one (1) or more of the alleged violations:
 - (A) has occurred;
 - (B) is a type of violation that would allow the commission to cite the applicant for a violation of a provision of this article or of a rule of the commission; and
 - (C) has not been corrected after notice has been given by the commission.

(g) If the commission is required to hold a public hearing on an application for a reissuance of an annual bingo license, it shall comply with the same procedures required under this section for notice and for conducting the hearing.

(h) The commission may deny a license if, after a public hearing, the commission determines that the applicant:

- (1) has violated a local ordinance; or
- (2) has engaged in fraud, deceit, or misrepresentation.

Sec. 6. The commission may issue a special bingo license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

- (1) authorize the qualified organization to conduct a bingo

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event at only one (1) time and location; and
 (2) state the date, beginning and ending times, and location of
 the authorized bingo event.

Sec. 7. The commission may issue a charity game night license
 to a qualified organization upon the organization's submission of
 an application and payment of a fee determined under IC 4-32.2-6.
 The license must:

(1) authorize the qualified organization to conduct a charity
 game night at only one (1) time and location; and
 (2) state the date, beginning and ending times, and location of
 the charity game night.

Sec. 8. (a) The commission may issue a raffle license to a
 qualified organization upon the organization's submission of an
 application and payment of a fee determined under IC 4-32.2-6.
 The license must:

(1) authorize the qualified organization to conduct a raffle
 event at only one (1) time and location; and
 (2) state the date, beginning and ending times, and location of
 the raffle event.

(b) A qualified organization, by rule of the commission, may be
 excused from the requirement of obtaining a license to conduct a
 raffle event if the total market value of the prize or prizes to be
 awarded at the raffle event does not exceed one thousand dollars
 (\$1,000).

Sec. 9. (a) The commission may issue a door prize license to a
 qualified organization upon the organization's submission of an
 application and payment of a fee determined under IC 4-32.2-6.
 The license must:

(1) authorize the qualified organization to conduct a door
 prize event at only one (1) time and location; and
 (2) state the date, beginning and ending times, and location of
 the door prize event.

(b) A qualified organization, by rule of the commission, may be
 excused from the requirement of obtaining a license to conduct a
 door prize event if the total market value of the prize or prizes to
 be awarded at the door prize event does not exceed one thousand
 dollars (\$1,000).

Sec. 10. (a) The commission may issue an annual door prize
 license to a qualified organization if:

(1) the provisions of this section are satisfied; and
 (2) the qualified organization:
 (A) submits an application; and

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- 1 (B) pays a fee set by the commission under IC 4-32.2-6.
- 2 (b) The application for an annual door prize license must
- 3 contain the following:
- 4 (1) The name of the qualified organization.
- 5 (2) The location where the door prize events will be held.
- 6 (3) The names of the operator and officers of the qualified
- 7 organization.
- 8 (c) A license issued under this section:
- 9 (1) may authorize the qualified organization to conduct door
- 10 prize events on more than one (1) occasion during a period of
- 11 one (1) year;
- 12 (2) must state the locations of the permitted door prize events;
- 13 (3) must state the expiration date of the license; and
- 14 (4) may be reissued annually upon the submission of an
- 15 application for reissuance on the form established by the
- 16 commission and upon the licensee's payment of a fee set by
- 17 the commission.
- 18 (d) The commission may reject an application for an annual
- 19 door prize license if, after a public hearing, the commission
- 20 determines that the applicant:
- 21 (1) has violated a local ordinance; or
- 22 (2) has engaged in fraud, deceit, or misrepresentation.
- 23 Sec. 11. (a) The commission may issue a festival license to a
- 24 qualified organization upon the organization's submission of an
- 25 application and payment of a fee determined under IC 4-32.2-6.
- 26 The license must authorize the qualified organization to conduct
- 27 bingo events, charity game nights, one (1) raffle event, and door
- 28 prize events and to sell pull tabs, punchboards, and tip boards. The
- 29 license must state the location and the dates, not exceeding four (4)
- 30 consecutive days, on which these activities may be conducted.
- 31 (b) A qualified organization may not conduct more than one (1)
- 32 festival each year at which bingo events, charity game nights, raffle
- 33 events, and door prize events are conducted and pull tabs,
- 34 punchboards, and tip boards are sold.
- 35 (c) The raffle event authorized by a festival license is not subject
- 36 to the prize limits set forth in this chapter. Bingo events, charity
- 37 game nights, and door prize events conducted at a festival are
- 38 subject to the prize limits set forth in this chapter.
- 39 Sec. 12. (a) A bingo license or special bingo license may also
- 40 authorize a qualified organization to conduct door prize drawings
- 41 and sell pull tabs, punchboards, and tip boards at the bingo event.
- 42 (b) A charity game night license may also authorize a qualified

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organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the charity game night.

(c) A raffle license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the raffle event.

(d) A door prize license may also authorize a qualified organization to sell pull tabs, punchboards, and tip boards at the door prize event.

Sec. 13. A qualified organization may hold more than one (1) license at a time. However, a qualified organization with multiple licenses may not hold a bingo event and raffle at the same event or at the same time and place unless, by express determination, the commission allows a qualified organization to do so. The commission may allow a qualified organization to conduct only one (1) event each year at which both bingo and a raffle may be held.

Sec. 14. The commission may not limit the number of qualified organizations licensed under this article.

Sec. 15. (a) This section applies to a gambling event that is described in neither:

(1) section 1(1) through 1(6) of this chapter; nor

(2) IC 4-32.2-2-12(b).

(b) The commission may issue a license to conduct a gambling event approved by the commission to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct the gambling event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the gambling event.

(c) The commission may impose any condition upon a qualified organization that is issued a license to conduct a gambling event under this section.

Sec. 16. A qualified organization described in section 4(c) of this chapter may not require an individual who wishes to participate in the qualified organization's allowable event as a worker to submit the individual's Social Security number to the qualified organization.

Sec. 17. (a) With respect to any action authorized by this section, a candidate's committee (as defined in IC 3-5-2-7) is considered a bona fide political organization.

(b) A candidate's committee may apply for a license under section 8 of this chapter to conduct a raffle event. A candidate's

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committee may not conduct any other kind of allowable event.

(c) The following are subject to this article:

(1) A candidate's committee that applies for a license under section 8 of this chapter.

(2) A raffle event conducted by a candidate's committee.

Chapter 5. Conduct of Allowable Events

Sec. 1. IC 35-45-5 does not apply to a person who conducts, participates in, or receives a prize in an allowable event.

Sec. 2. A qualified organization may not contract or otherwise enter into an agreement with an individual, a corporation, a partnership, a limited liability company, or other association to conduct an allowable event for the benefit of the organization. A qualified organization shall use only operators and workers meeting the requirements of this chapter to manage and conduct an allowable event.

Sec. 3. (a) All net proceeds from an allowable event and related activities may be used only for the lawful purposes of the qualified organization.

(b) To determine the net proceeds from an allowable event, a qualified organization shall subtract the following from the gross receipts received from the allowable event:

(1) An amount equal to the total value of the prizes, including door prizes, awarded at the allowable event.

(2) The sum of the purchase prices paid for licensed supplies dispensed at the allowable event.

(3) An amount equal to the qualified organization's license fees attributable to the allowable event.

(4) An amount equal to the advertising expenses incurred by the qualified organization to promote the allowable event.

Sec. 4. (a) A qualified organization that receives ninety percent (90%) or more of the organization's total gross receipts from any events licensed under this article is required to donate sixty percent (60%) of its gross charitable gaming receipts less prize payout to a qualified recipient that is not an affiliate, a parent, or a subsidiary organization of the qualified organization.

(b) For purposes of this section, a veterans' home is not considered to be an affiliate, a parent, or a subsidiary organization of a qualified organization that is a bona fide veterans organization.

Sec. 5. A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial

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aspects of an allowable event to the commission within the time established by the commission. The commission may prescribe forms for this purpose. The commission shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

Sec. 6. (a) A qualified organization may not conduct more than three (3) allowable events during a calendar week and not more than one (1) allowable event each day.

(b) Except as provided in IC 4-32.2-4-11, allowable events may not be held on more than two (2) consecutive days.

(c) A bona fide civic organization may conduct one (1) additional allowable event during each six (6) months of a calendar year.

Sec. 7. A qualified organization may not conduct more than four (4) charity game nights during a calendar year.

Sec. 8. (a) Except as provided in subsection (d), if facilities are leased for an allowable event, the rent may not:

(1) be based in whole or in part on the revenue generated from the event; or

(2) exceed two hundred dollars (\$200) per day.

(b) A facility may not be rented for more than three (3) days during a calendar week for an allowable event.

(c) If personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event.

(d) If a qualified organization conducts an allowable event in conjunction with or at the same facility where the qualified organization or its affiliate is having a convention or other meeting of its membership, facility rent for the allowable event may exceed two hundred dollars (\$200) per day. A qualified organization may conduct only one (1) allowable event under this subsection in a calendar year.

Sec. 9. Not more than one (1) qualified organization may conduct an allowable event on the same day at the same location.

Sec. 10. An operator or a worker may not be a person who has been convicted of or entered a plea of nolo contendere to a felony committed in the preceding ten (10) years, regardless of the adjudication, unless the commission determines that:

(1) the person has been pardoned or the person's civil rights have been restored; or

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(2) after the conviction or entry of the plea, the person has engaged in the kind of good citizenship that would reflect well upon the integrity of the qualified organization and the commission.

Sec. 11. An employee of the commission or a relative living in the same household with the employee of the commission may not be an operator or a worker.

Sec. 12. (a) Except as provided in subsection (b), an operator or a worker may not receive remuneration for:

- (1) preparing for;
- (2) conducting;
- (3) assisting in conducting;
- (4) cleaning up after; or
- (5) taking any other action in connection with;

an allowable event.

(b) A qualified organization that conducts an allowable event may:

- (1) provide meals for the operators and workers during the allowable event; and
- (2) provide recognition dinners and social events for the operators and workers;

if the value of the meals and social events does not constitute a significant inducement to participate in the conduct of the allowable event.

Sec. 13. An individual may not be an operator for more than one (1) qualified organization during a calendar month. If an individual has previously served as an operator for another qualified organization, the commission may require additional information concerning the proposed operator to satisfy the commission that the individual is a bona fide member of the qualified organization.

Sec. 14. An operator or a worker may not directly or indirectly participate, other than in a capacity as an operator or a worker, in an allowable event that the operator or worker is conducting.

Sec. 15. An operator must be a member in good standing of the qualified organization that is conducting the allowable event for at least one (1) year at the time of the allowable event.

Sec. 16. (a) Except as provided in subsection (b), a worker must be a member in good standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not

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a member of the qualified organization to participate in an allowable event as a worker if:

- (1) the individual is a member of another qualified organization; and
- (2) the individual's participation is approved by the commission.

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

- (1) the licensing requirements of this article; and
- (2) section 9 of this chapter;

a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event.

Sec. 17. (a) The prize for one (1) bingo game may not have a value of more than one thousand dollars (\$1,000).

(b) Except as provided in subsection (c), the total prizes permitted at one (1) bingo event may not have a value of more than six thousand dollars (\$6,000).

(c) The commission may, by express authorization, allow any qualified organization to conduct two (2) bingo events each year at which the total prizes for the bingo event may not exceed ten thousand dollars (\$10,000). Bingo events authorized under this subsection may be conducted at a festival conducted under IC 4-32.2-4-11.

(d) The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a bingo event.

(e) The value of all door prizes awarded at a bingo event may not have a value of more than one thousand five hundred dollars (\$1,500).

Sec. 18. (a) The total prizes for a raffle event conducted at another allowable event may not have a value of more than five thousand dollars (\$5,000). However, the commission may, by express authorization, allow a qualified organization to conduct

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one (1) raffle event at another allowable event each year at which the total prizes for the raffle event may not exceed twenty-five thousand dollars (\$25,000). The sale of pull tabs, punchboards, and tip boards is not included in the total prize limit at a raffle event.

(b) The value of all door prizes awarded at a raffle event may not have a value of more than one thousand five hundred dollars (\$1,500).

(c) The prize limits set forth in subsection (a) do not apply to a raffle event that is not conducted at another allowable event.

Sec. 19. The total prizes for a door prize event may not have a value of more than five thousand dollars (\$5,000). However, the commission may, by express authorization, allow a qualified organization to conduct one (1) door prize event each year at which the total prizes for the door prize event may not exceed twenty thousand dollars (\$20,000). The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a door prize event.

Sec. 20. (a) The total prizes awarded for one (1) pull tab, punchboard, or tip board game may not exceed five thousand dollars (\$5,000).

(b) A single prize awarded for one (1) winning ticket in a pull tab, punchboard, or tip board game may not exceed five hundred ninety-nine dollars (\$599).

(c) The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar (\$1).

Sec. 21. (a) Except as provided in subsection (b), the following persons may not play or participate in any manner in an allowable event:

(1) A member or an employee of the commission.

(2) A person less than eighteen (18) years of age.

(b) A person less than eighteen (18) years of age may sell tickets or chances for a raffle.

Sec. 22. If an employee or officer of a manufacturer or distributor is a member of a bona fide civic or bona fide religious organization that holds a charity gaming license, the employee's or officer's membership in the organization may not be construed as an affiliation with the organization's charity gaming operations.

Sec. 23. An advertisement for an allowable event in radio broadcast media must announce, within the advertisement, the name of the qualified organization conducting the allowable event and that the qualified organization's license number is on file.

Chapter 6. License Fees



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1 **Sec. 1. The commission shall charge a license fee to an applicant**
 2 **under this article.**

3 **Sec. 2. The commission shall establish an initial license fee**
 4 **schedule. However, the license fee that is charged to a qualified**
 5 **organization in the first year that the qualified organization applies**
 6 **for a license may not exceed fifty dollars (\$50).**

7 **Sec. 3. The license fee that is charged to a qualified organization**
 8 **that renews the license must be based on the total gross revenue of**
 9 **the qualified organization from allowable events and related**
 10 **activities in the preceding year, or, if the qualified organization**
 11 **held a license under IC 4-32.2-4-6, IC 4-32.2-4-7, IC 4-32.2-4-8,**
 12 **IC 4-32.2-4-9, or IC 4-32.2-4-11, the fee must be based on the total**
 13 **gross revenue of the qualified organization from the preceding**
 14 **event and related activities, according to the following schedule:**

Class	Gross Revenues		Fee
	At Least	But Less Than	
A	\$ 0	\$ 15,000	\$ 50
B	\$ 15,000	\$ 25,000	\$ 100
C	\$ 25,000	\$ 50,000	\$ 300
D	\$ 50,000	\$ 75,000	\$ 400
E	\$ 75,000	\$ 100,000	\$ 700
F	\$ 100,000	\$ 150,000	\$ 1000
G	\$ 150,000	\$ 200,000	\$ 1,500
H	\$ 200,000	\$ 250,000	\$ 1,800
I	\$ 250,000	\$ 300,000	\$ 2,500
J	\$ 300,000	\$ 400,000	\$ 3,250
K	\$ 400,000	\$ 500,000	\$ 5,000
L	\$ 500,000	\$ 750,000	\$ 6,750
M	\$ 750,000	\$ 1,000,000	\$ 9,000
N	\$ 1,000,000	\$ 1,250,000	\$ 11,000
O	\$ 1,250,000	\$ 1,500,000	\$ 13,000
P	\$ 1,500,000	\$ 1,750,000	\$ 15,000
Q	\$ 1,750,000	\$ 2,000,000	\$ 17,000
R	\$ 2,000,000	\$ 2,250,000	\$ 19,000
S	\$ 2,250,000	\$ 2,500,000	\$ 21,000
T	\$ 2,500,000	\$ 3,000,000	\$ 24,000
U	\$ 3,000,000		\$ 26,000

38 **Sec. 4. The commission shall establish a license fee schedule for**
 39 **the renewal of licenses for manufacturers and distributors.**

40 **Sec. 5. The commission shall deposit license fees collected under**
 41 **this chapter in the charity gaming enforcement fund established by**
 42 **IC 4-32.2-7-3.**



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Chapter 7. Charity Gaming Enforcement Fund

Sec. 1. As used in this chapter, "surplus revenue" means the amount of money in the charity gaming enforcement fund that is not required to meet the costs of administration and the cash flow needs of the commission under this article.

Sec. 2. As used in this chapter, "fund" means the charity gaming enforcement fund established by section 3 of this chapter.

Sec. 3. The charity gaming enforcement fund is established. The commission shall administer the fund.

Sec. 4. The fund consists of the following:

- (1) License fees collected under IC 4-32.2-6.
- (2) Civil penalties collected under IC 4-32.2-8.
- (3) Charity gaming card excise taxes received under IC 4-32.2-10.

Sec. 5. Money in the fund does not revert to the state general fund at the end of a state fiscal year. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 6. There is appropriated annually to the commission from the fund an amount sufficient to cover the costs incurred by the commission for the purposes specified in this article.

Sec. 7. Before the last business day of January, April, July, and October, the commission shall, upon approval of the budget agency, transfer the surplus revenue to the treasurer of state for deposit in the build Indiana fund.

Chapter 8. Penalties

Sec. 1. (a) The commission may suspend or revoke the license of or levy a civil penalty against a qualified organization or an individual under this article for any of the following:

- (1) Violation of a provision of this article or of a rule of the commission.
- (2) Failure to accurately account for:
 - (A) bingo cards;
 - (B) bingo boards;
 - (C) bingo sheets;
 - (D) bingo pads;
 - (E) pull tabs;
 - (F) punchboards; or
 - (G) tip boards.
- (3) Failure to accurately account for sales proceeds from an event or activity licensed or permitted under this article.

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(4) Commission of a fraud, deceit, or misrepresentation.

(5) Conduct prejudicial to public confidence in the commission.

(b) If a violation is of a continuing nature, the commission may impose a civil penalty upon a licensee or an individual for each day the violation continues.

Sec. 2. A civil penalty imposed by the commission upon a qualified organization or an individual under section 1 of this chapter may not exceed the following amounts:

(1) One thousand dollars (\$1,000) for the first violation.

(2) Two thousand five hundred dollars (\$2,500) for the second violation.

(3) Five thousand dollars (\$5,000) for each additional violation.

Sec. 3. In addition to imposing a penalty described in section 1 of this chapter, the commission may do all or any of the following:

(1) Lengthen a period of suspension of the license.

(2) Prohibit an operator or an individual who has been found to be in violation of this article from associating with charity gaming conducted by a qualified organization.

(3) Impose an additional civil penalty of not more than one hundred dollars (\$100) for each day the civil penalty goes unpaid.

Sec. 4. (a) Except as provided in subsection (b), a person or an organization that recklessly, knowingly, or intentionally violates a provision of this article commits a Class B misdemeanor.

(b) An individual, a corporation, a partnership, a limited liability company, or other association that recklessly, knowingly, or intentionally enters into a contract or other agreement with a qualified organization in violation of IC 4-32.2-5-2 commits a Class D felony.

Sec. 5. The commission shall deposit civil penalties collected under this chapter in the charity gaming enforcement fund established by IC 4-32.2-7-3.

Chapter 9. Security

Sec. 1. (a) The commission is responsible for security matters under this article. The commission may employ investigators and other individuals necessary to carry out this chapter.

(b) An employee of the commission engaged in the enforcement of this article is vested with the necessary police powers to enforce this article. The police powers granted by this subsection are limited to the enforcement of this article.

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(c) An employee described in subsection (b) may not:

- (1) issue a summons for an infraction or a misdemeanor violation of any law other than this article;
- (2) act as an officer for the arrest of offenders for the violation of an Indiana law other than this article; or
- (3) exercise any other police power with respect to the enforcement of any state or local law other than this article.

Sec. 2. An employee of the commission may do any of the following:

- (1) Investigate an alleged violation of this article.
- (2) Arrest an alleged violator of this article or of a rule adopted by the commission.
- (3) Enter upon the following premises for the performance of the employee's lawful duties:
 - (A) A location where a bingo event, charity game night, raffle, or door prize drawing is being conducted.
 - (B) A location where pull tabs, tip boards, or punchboards are being purchased, sold, manufactured, printed, or stored.
- (4) Take necessary equipment from the premises for further investigation.
- (5) Obtain full access to all financial records of the entity upon request.
- (6) If there is a reason to believe that a violation has occurred, search and inspect the premises where the violation is alleged to have occurred or is occurring. A search under this subdivision may not be conducted unless a warrant has first been obtained by the executive director. A contract entered into by the executive director may not include a provision allowing for warrantless searches. A warrant may be obtained in the county where the search will be conducted or in Marion County.
- (7) Seize or take possession of:
 - (A) papers;
 - (B) records;
 - (C) tickets;
 - (D) currency; or
 - (E) other items;
 related to an alleged violation.

Sec. 3. (a) The commission shall conduct investigations necessary to ensure the security and integrity of the operation of games of chance under this article. The commission may conduct

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investigations of the following:

- (1) Licensed qualified organizations.
- (2) Applicants for licenses issued under this article.
- (3) Licensed manufacturers and distributors.
- (4) Employees of the commission under this article.
- (5) Applicants for contracts or employment with the commission under this article.

(b) The commission may require persons subject to an investigation under subsection (a) to provide information, including fingerprints, that is:

- (1) required by the commission to carry out the investigation; or
- (2) otherwise needed to facilitate access to state and criminal history information.

Sec. 4. (a) The state police department shall, at the request of the executive director, provide the following:

- (1) Assistance in obtaining criminal history information relevant to investigations required for honest, secure, exemplary operations under this article.
- (2) Any other assistance requested by the executive director and agreed to by the superintendent of the state police department.

(b) Any other state agency, including the alcohol and tobacco commission and the Indiana professional licensing agency, shall upon request provide the executive director with information relevant to an investigation conducted under this article.

Sec. 5. A marketing sheet published in connection with a wagering game must be maintained for the lesser of:

- (1) six (6) years after the year in which the marketing sheet was published; or
- (2) the end of an audit in which the marketing sheet and similar records are audited.

Sec. 6. (a) This section applies only to products sold in Indiana.

(b) If a licensed manufacturer or distributor destroys, discontinues, or otherwise renders unusable:

- (1) bingo supplies;
- (2) punchboards; or
- (3) tip boards;

the manufacturer or distributor shall provide the commission with a written list of the items destroyed, discontinued, or rendered otherwise unusable.

(c) The list required under subsection (b) must contain the

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following information concerning the items destroyed, discontinued, or rendered otherwise unusable:

- (1) The quantity.
- (2) A description.
- (3) The serial numbers.
- (4) The date the items were destroyed, discontinued, or rendered otherwise unusable.

(d) Notwithstanding subsection (b), this section does not apply to a product considered defective by the manufacturer or distributor.

Sec. 7. Records of a manufacturer or distributor must be produced upon request by the commission within seventy-two (72) hours or by another mutually agreed upon time if production of the requested documents within seventy-two (72) hours is impractical or burdensome.

Sec. 8. A manufacturer or distributor of supplies, devices, or equipment described in IC 4-32.2-3-4(a) to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the supplies, devices, and equipment.

Sec. 9. Information obtained by the commission during the course of an investigation conducted under this chapter is confidential.

Chapter 10. Gaming Card Excise Tax

Sec. 1. An excise tax is imposed on the distribution of pull tabs, punchboards, and tip boards in the amount of ten percent (10%) of the price paid by the qualified organization that purchases the pull tabs, punchboards, and tip boards.

Sec. 2. A licensed entity distributing pull tabs, punchboards, or tip boards under this article is liable for the tax. The tax is imposed at the time the licensed entity:

- (1) brings or causes the pull tabs, punchboards, or tip boards to be brought into Indiana for distribution;
- (2) distributes pull tabs, punchboards, or tip boards in Indiana; or
- (3) transports pull tabs, punchboards, or tip boards to qualified organizations in Indiana for resale by those qualified organizations.

Sec. 3. The department shall establish procedures by which each licensed entity must account for the following:

- (1) The tax collected under this chapter by the licensed entity.
- (2) The pull tabs, punchboards, and tip boards sold by the

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licensed entity.

(3) The funds received for sales of pull tabs, punchboards, and tip boards by the licensed entity.

Sec. 4. A payment by a licensed entity to the department may not be in cash. All payments must be in the form of a check, a draft, an electronic funds transfer, or another financial instrument authorized by the commissioner. The department may require licensed entities to establish separate electronic funds transfer accounts for the purpose of making payments to the department.

Sec. 5. All taxes imposed on a licensed entity under this chapter shall be remitted to the department at the times and as directed by the department. The department is responsible for all administrative functions related to the receipt of funds. The department may require each licensed entity to file with the department reports of the licensed entity's receipts and transactions in the sale of pull tabs, punchboards, and tip boards. The department shall prescribe the form of the reports and the information to be contained in the reports.

Sec. 6. The department may at any time perform an audit of the books and records of a licensed entity to ensure compliance with this chapter.

Sec. 7. IC 4-32.2-8 applies to licensed entities.

Sec. 8. The department shall transfer all taxes collected under this chapter to the commission for deposit in the charity gaming enforcement fund established by IC 4-32.2-7-3.

Chapter 11. Judicial Review

Sec. 1. Except as provided in this article, IC 4-21.5 applies to actions of the commission.

Sec. 2. An appeal of a final rule or order of the commission may be commenced under IC 4-21.5 in the circuit court of the county in which the appealing licensed entity is located.

Sec. 3. (a) The commission may suspend a license issued to a qualified organization without notice or hearing if the commission determines that the safety or health of patrons or the qualified organization's workers would be threatened by the continued operation of the qualified organization's charity gaming operations.

(b) The suspension of a qualified organization's operations under this section may remain in effect until the commission determines that the cause for suspension has been abated. The commission may revoke the license if the commission determines that the qualified organization has not made satisfactory progress

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1 **toward abating the hazard.**

2 SECTION 4. IC 4-33-13-5, AS AMENDED BY P.L.246-2005,
3 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2006]: Sec. 5. (a) This subsection does not apply to tax
5 revenue remitted by an operating agent operating a riverboat in a
6 historic hotel district. After funds are appropriated under section 4 of
7 this chapter, each month the treasurer of state shall distribute the tax
8 revenue deposited in the state gaming fund under this chapter to the
9 following:

10 (1) The first thirty-three million dollars (\$33,000,000) of tax
11 revenues collected under this chapter shall be set aside for
12 revenue sharing under subsection (e).

13 (2) Subject to subsection (c), twenty-five percent (25%) of the
14 remaining tax revenue remitted by each licensed owner shall be
15 paid:

16 (A) to the city that is designated as the home dock of the
17 riverboat from which the tax revenue was collected, in the case
18 of:

19 (i) a city described in IC 4-33-12-6(b)(1)(A); or

20 (ii) a city located in a county having a population of more
21 than four hundred thousand (400,000) but less than seven
22 hundred thousand (700,000); or

23 (B) to the county that is designated as the home dock of the
24 riverboat from which the tax revenue was collected, in the case
25 of a riverboat whose home dock is not in a city described in
26 clause (A).

27 (3) Subject to subsection (d), the remainder of the tax revenue
28 remitted by each licensed owner shall be paid to the property tax
29 replacement fund. In each state fiscal year, the treasurer of state
30 shall make the transfer required by this subdivision not later than
31 the last business day of the month in which the tax revenue is
32 remitted to the state for deposit in the state gaming fund.
33 However, if tax revenue is received by the state on the last
34 business day in a month, the treasurer of state may transfer the tax
35 revenue to the property tax replacement fund in the immediately
36 following month.

37 (b) This subsection applies only to tax revenue remitted by an
38 operating agent operating a riverboat in a historic hotel district. After
39 funds are appropriated under section 4 of this chapter, each month the
40 treasurer of state shall distribute the tax revenue deposited in the state
41 gaming fund under this chapter as follows:

42 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the

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property tax replacement fund established under IC 6-1.1-21.

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county

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executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under ~~IC 4-32-10-6~~ **IC 4-32.2-7-7**.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal

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year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an

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entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 5. IC 4-33-18-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The department shall research and analyze data and public policy issues relating to all aspects of gaming in Indiana for the enhancement of:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under ~~IC 4-32~~; **IC 4-32.2**; and

(4) riverboat casino gambling under IC 4-33.

SECTION 6. IC 4-33-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

(1) the Indiana lottery commission under IC 4-30;

(2) the Indiana horse racing commission under IC 4-31;

~~(3) the department of state revenue under IC 4-32~~; or

~~(4)~~ **(3)** the Indiana gaming commission under **IC 4-32.2** or IC 4-33.

(b) The department may not exercise any administrative or

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regulatory powers with respect to:

- (1) the Indiana lottery under IC 4-30;
- (2) pari-mutuel horse racing under IC 4-31;
- (3) charity gaming under ~~IC 4-32~~; **IC 4-32.2**; or
- (4) riverboat casino gambling under IC 4-33.

SECTION 7. IC 5-2-1-2, AS AMENDED BY P.L.52-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. For the purposes of this chapter, and unless the context clearly denotes otherwise, the following definitions apply throughout this chapter:

(1) "Law enforcement officer" means an appointed officer or employee hired by and on the payroll of the state, any of the state's political subdivisions, or a public or private college or university whose board of trustees has established a police department under IC 20-12-3.5-1, who is granted lawful authority to enforce all or some of the penal laws of the state of Indiana and who possesses, with respect to those laws, the power to effect arrests for offenses committed in the officer's or employee's presence. However, the following are expressly excluded from the term "law enforcement officer" for the purposes of this chapter:

(A) A constable.

(B) A special officer whose powers and duties are described in IC 36-8-3-7 or a special deputy whose powers and duties are described in IC 36-8-10-10.6.

(C) A county police reserve officer who receives compensation for lake patrol duties under IC 36-8-3-20(f)(4).

(D) A conservation reserve officer who receives compensation for lake patrol duties under IC 14-9-8-27.

(E) An employee of the gaming commission whose powers and duties are described in IC 4-32.2-9.

(2) "Board" means the law enforcement training board created by this chapter.

(3) "Advisory council" means the law enforcement advisory council created by this chapter.

(4) "Executive training program" means the police chief executive training program developed by the board under section 9 of this chapter.

(5) "Law enforcement training council" means one (1) of the confederations of law enforcement agencies recognized by the board and organized for the sole purpose of sharing training, instructors, and related resources.

(6) "Training regarding the lawful use of force" includes

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classroom and skills training in the proper application of hand to hand defensive tactics, use of firearms, and other methods of:

(A) overcoming unlawful resistance; or

(B) countering other action that threatens the safety of the public or a law enforcement officer.

(7) "Hiring or appointing authority" means:

(A) the chief executive officer, board, or other entity of a police department or agency with authority to appoint and hire law enforcement officers; or

(B) the governor, mayor, board, or other entity with the authority to appoint a chief executive officer of a police department or agency.

SECTION 8. IC 6-3-4-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8.2. (a) Each person in Indiana who is required under the Internal Revenue Code to withhold federal tax from winnings shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department.

(b) In addition to amounts withheld under subsection (a), every person engaged in a gambling operation (as defined in IC 4-33-2-10) and making a payment in the course of the gambling operation (as defined in IC 4-33-2-10) of:

(1) winnings (not reduced by the wager) valued at one thousand two hundred dollars (\$1,200) or more from slot machine play; or

(2) winnings (reduced by the wager) valued at one thousand five hundred dollars (\$1,500) or more from a keno game;

shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively. Slot machine and keno winnings from a gambling operation (as defined in IC 4-33-2-10) that are reportable for federal income tax purposes shall be treated as subject to withholding under this section, even if federal tax withholding is not required.

(c) The adjusted gross income tax due on prize money or prizes:

(1) received from a winning lottery ticket purchased under IC 4-30; and

(2) exceeding one thousand two hundred dollars (\$1,200) in value;

shall be deducted and retained at the time and in the amount described in withholding instructions issued by the department, even if federal

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withholding is not required.

(d) In addition to the amounts withheld under subsection (a), a qualified organization (as defined in IC 4-32.2-2-24(a)) that awards a prize under IC 4-32.2 exceeding one thousand two hundred dollars (\$1,200) in value shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively.

SECTION 9. IC 6-8.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) The department has the primary responsibility for the administration, collection, and enforcement of the listed taxes. In carrying out that responsibility, the department may exercise all the powers conferred on it under this article in respect to any of those taxes.

(b) In the case of the motor vehicle excise tax, the department has the responsibility to act only in the investigation, assessment, collection, and enforcement of the tax in instances of delinquency or evasion. Primary responsibility for the administration and collection of the tax remains with the agencies named in IC 6-6-5.

(c) In the case of commercial vehicle excise taxes that are payable to the bureau of motor vehicles and are not subject to apportionment under the International Registration Plan, the department has the responsibility to act only in the investigation, assessment, collection, and enforcement of the tax in instances of delinquency or evasion. Primary responsibility for the administration and collection of the tax remains with the bureau of motor vehicles.

~~(d) The department has the primary responsibility for the administration, investigation, and enforcement of IC 4-32.~~

SECTION 10. IC 12-13-14-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4.5. (a) Except as provided in this section, the division may distribute cash assistance benefits to a person who is eligible for assistance under the Title IV-A assistance program through an automated teller machine or a point of sale terminal that is connected to the EBT system.

(b) The division may approve or deny participation in the EBT system by a retailer that is not a food retailer.

(c) The division may not approve participation by a retailer or financial institution in the EBT system for distribution of cash assistance under the Title IV-A assistance program through an automated teller machine or a point of sale terminal located on the

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premises of any of the following:

(1) A horse racing establishment:

(A) where the pari-mutuel system of wagering is authorized;
and

(B) for which a permit is required under IC 4-31-5.

(2) A satellite facility:

(A) where wagering on horse racing is conducted; and

(B) for which a license is required under IC 4-31-5.5.

(3) An allowable event required to be licensed by the ~~department of state revenue~~ **Indiana gaming commission** under ~~IC 4-32-7 or IC 4-32-9~~ **IC 4-32.2**.

(4) A riverboat or other facility required to be licensed by the Indiana gaming commission under IC 4-33.

(5) A store or other establishment:

(A) where the primary business is the sale of firearms (as defined in IC 35-47-1-5); and

(B) that sells handguns for which a license to sell handguns is required under IC 35-47-2.

(6) A store or other establishment where the primary business is the sale of alcoholic beverages for which a permit is required under IC 7.1-3.

(d) An establishment described in subsection (c)(1) through (c)(6) shall post a sign next to each automated teller machine or point of sale terminal located in the establishment informing a potential user that the automated teller machine or point of sale terminal may not be used to receive cash assistance benefits under the Title IV-A assistance program.

(e) An:

(1) establishment that does not post the sign required under subsection (d); or

(2) individual who attempts to use an automated teller machine or point of sale terminal to access cash assistance benefits under the Title IV-A assistance program in violation of subsection (d);

commits a Class C misdemeanor.

(f) The division shall adopt rules under IC 4-22-2 to carry out this section.

SECTION 11. IC 33-26-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The tax court does not have jurisdiction over a case that is an appeal from a final determination made by the ~~department of state revenue~~ **Indiana gaming commission** under ~~IC 4-32~~ **other than IC 4-32.2**.

(b) The tax court has jurisdiction over a case that is an appeal

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1 **from a final determination made by the department of state revenue**
 2 concerning the gaming card excise tax established under ~~IC 4-32-15.~~
 3 **IC 4-32.2-10.**

4 SECTION 12. IC 33-26-6-2 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A taxpayer who
 6 wishes to initiate an original tax appeal must file a petition in the tax
 7 court to set aside the final determination of the department of state
 8 revenue or the Indiana board of tax review. If a taxpayer fails to comply
 9 with any statutory requirement for the initiation of an original tax
 10 appeal, the tax court does not have jurisdiction to hear the appeal.

11 (b) A taxpayer who wishes to enjoin the collection of a tax pending
 12 the original tax appeal must file a petition with the tax court to enjoin
 13 the collection of the tax. The petition must set forth a summary of:

- 14 (1) the issues that the petitioner will raise in the original tax
- 15 appeal; and
- 16 (2) the equitable considerations for which the tax court should
- 17 order the collection of the tax to be enjoined.

18 (c) After a hearing on the petition filed under subsection (b), the tax
 19 court may enjoin the collection of the tax pending the original tax
 20 appeal, if the tax court finds that:

- 21 (1) the issues raised by the original tax appeal are substantial;
- 22 (2) the petitioner has a reasonable opportunity to prevail in the
- 23 original tax appeal; and
- 24 (3) the equitable considerations favoring the enjoining of the
- 25 collection of the tax outweigh the state's interests in collecting the
- 26 tax pending the original tax appeal.

27 (d) This section does not apply to a final determination of the
 28 department of state revenue **Indiana gaming commission** under
 29 ~~IC 4-32~~ **other than IC 4-32.2.**

30 (e) **This section applies to a final determination made by the**
 31 **department of state revenue** concerning the gaming card excise tax
 32 established under ~~IC 4-32-15.~~ **IC 4-32.2-10.**

33 SECTION 13. IC 35-45-5-7 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. This chapter does not
 35 apply to the publication or broadcast of an advertisement, a list of
 36 prizes, or other information concerning:

- 37 (1) pari-mutuel wagering on horse races or a lottery authorized by
- 38 the law of any state; or
- 39 (2) a game of chance operated in accordance with ~~IC 4-32.~~
- 40 **IC 4-32.2.**

41 SECTION 14. IC 35-45-5-8 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. This chapter does not

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1 apply to the sale or use of gambling devices authorized under ~~IC 4-32~~.
 2 **IC 4-32.2.**

3 SECTION 15. THE FOLLOWING ARE REPEALED [EFFECTIVE
 4 JULY 1, 2006]: IC 4-32; IC 6-8.1-3-18.

5 SECTION 16. [EFFECTIVE JULY 1, 2006] (a) As used in this
 6 SECTION, "allowable event" has the meaning set forth in
 7 IC 4-32.2-2-2, as added by this act.

8 (b) As used in this SECTION, "charity gaming" refers to games
 9 of chance authorized by IC 4-32 (before its repeal by this act) and
 10 IC 4-32.2, as added by this act.

11 (c) As used in this SECTION, "commission" refers to the
 12 Indiana gaming commission established by IC 4-33-3-1.

13 (d) As used in this SECTION, "department" refers to the
 14 department of state revenue.

15 (e) Rules adopted before July 1, 2006, by the department
 16 concerning charity gaming are considered after June 30, 2006,
 17 rules of the commission.

18 (f) The commission shall amend references in rules to indicate
 19 that the commission and not the department is the entity that
 20 administers charity gaming.

21 (g) An allowable event held after June 30, 2006, under the
 22 authority of a license issued under IC 4-32 (before its repeal by this
 23 act) before July 1, 2006, is considered a lawful event held under
 24 IC 4-32.2, as added by this act.

25 (h) The records of the department concerning charity gaming,
 26 other than records relating to the charity game card excise tax
 27 imposed under IC 4-32-15 (before its repeal by this act), are
 28 transferred to the commission.

29 (i) Money in the charity gaming enforcement fund established
 30 under IC 4-32-10 (before its repeal by this act) on July 1, 2006, is
 31 transferred to the charity gaming enforcement fund established by
 32 IC 4-32.2-7-3, as added by this act.

33 (j) This SECTION expires June 30, 2007.

34 SECTION 17. [EFFECTIVE JULY 1, 2006] (a) Before September
 35 1, 2006, the Indiana gaming commission shall amend forms and
 36 affidavits prescribed by the department of state revenue under
 37 IC 4-32 (before its repeal) to comply with IC 4-32.2-4-4 and
 38 IC 4-32.2-4-16, both as added by this act.

39 (b) This SECTION expires January 1, 2007.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy and Veterans Affairs, to which was referred House Bill 1396, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 9, between lines 33 and 34, begin a new paragraph and insert:

"Sec. 20.5. "Member" means any of the following:

- (1) An individual entitled to membership in a qualified organization under the bylaws, articles of corporation, charter, or rules of the qualified organization.**
- (2) A member of the qualified organization's auxiliary.**
- (3) In the case of a qualified organization that is a nonpublic school (as defined in IC 20-18-2-12), either of the following:**
 - (A) A parent of a child enrolled in the school.**
 - (B) A member of the school's parent organization.**
 - (C) A member of the school's alumni association."**

Page 14, line 7, after "(b)" delete "The" and insert "Except as provided in subsection (c), the".

Page 14, between lines 29 and 30, begin a new paragraph and insert:

"(c) This subsection applies only to a qualified organization that conducts only one (1) allowable event in a calendar year. The commission may not require the inclusion in the qualified organization's application of the Social Security numbers of the workers who will participate in the qualified organization's proposed allowable event. A qualified organization that files an application described in this subsection must attach to the application a sworn statement signed by the presiding officer and secretary of the organization attesting that the organization has not conducted any other allowable events in the calendar year."

Page 19, between lines 2 and 3, begin a new paragraph and insert:

"Sec 16. A qualified organization described in section 4(c) of this chapter may not require an individual who wishes to participate in the qualified organization's allowable event as a worker to submit the individual's Social Security number to the qualified organization."

Page 41, after line 4, begin a new paragraph and insert:

"SECTION 17. [EFFECTIVE JULY 1, 2006] (a) Before September 1, 2006, the Indiana gaming commission shall amend forms and affidavits prescribed by the department of state revenue under IC 4-32 (before its repeal) to comply with IC 4-32.2-4-4 and IC 4-32.2-4-16, both as added by this act.

(b) This SECTION expires January 1, 2007."

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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.
(Reference is to HB 1396 as introduced.)

STUTZMAN, Chair

Committee Vote: yeas 9, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1396 be amended to read as follows:

Page 7, line 34, after "8." insert **"(a)"**.

Page 7, line 34, after "means a" delete "political" and insert **"party"**.

Page 7, between lines 39 and 40, begin a new paragraph and insert:

"(b) Except as provided in subsection (c), the term does not include a candidate's committee (as defined in IC 3-5-2-7).

(c) For purposes of IC 4-32.2-4-8 and IC 4-32.2-4-17, the term includes a candidate's committee (as defined in IC 3-5-2-7)."

Page 19, between lines 28 and 29, begin a new paragraph and insert:

"Sec. 17. (a) With respect to any action authorized by this section, a candidate's committee (as defined in IC 3-5-2-7) is considered a bona fide political organization.

(b) A candidate's committee may apply for a license under section 8 of this chapter to conduct a raffle event. A candidate's committee may not conduct any other kind of allowable event.

(c) The following are subject to this article:

(1) A candidate's committee that applies for a license under section 8 of this chapter.

(2) A raffle event conducted by a candidate's committee."

(Reference is to HB 1396 as printed January 24, 2006.)

WHETSTONE

HOUSE MOTION

Mr. Speaker: I move that House Bill 1396 be amended to read as follows:

Page 9, line 36, delete "corporation" and insert **"incorporation"**.

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Page 12, between lines 24 and 25, begin a new paragraph and insert:
"(c) The commission may not adopt a rule under IC 4-22-2 requiring a qualified organization to use a minimum percentage of the qualified organization's gross receipts from allowable events and related activities for the lawful purposes of the qualified organization."

Page 20, between lines 8 and 9, begin a new line block indented and insert:

"(4) An amount equal to the advertising expenses incurred by the qualified organization to promote the allowable event."

(Reference is to HB 1396 as printed January 24, 2006.)

WHETSTONE

HOUSE MOTION

Mr. Speaker: I move that House Bill 1396 be amended to read as follows:

Page 22, line 17, delete "A" and insert **"(a) Except as provided in subsection (b), a"**.

Page 22, between lines 19 and 20, begin a new paragraph and insert:

"(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if:

- (1) the individual is a member of another qualified organization; and**
- (2) the individual's participation is approved by the commission.**

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

- (1) the licensing requirements of this article; and**
- (2) section 9 of this chapter;**

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a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event."

(Reference is to HB 1396 as printed January 24, 2006.)

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